

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)

) Case No. 24-12480 (LSS)
)

) (Jointly Administered)
)

) **Re: Docket No. 355**
)

**NOTICE OF FILING OF SECOND QUARTERLY
STATEMENT OF AMOUNTS PAID TO ORDINARY
COURSE PROFESSIONALS FOR THE PERIOD FROM
FEBRUARY 1, 2025 THROUGH AND INCLUDING APRIL 30, 2025**

PLEASE TAKE NOTICE that, pursuant to the *Order Authorizing (A) the Debtors to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Effective as of the Petition Date and (B) Waiving Certain Information*

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Requirements of Local Rule 2016-2 [Docket No. 355] (the “OCP Order”),² the above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby submit a statement, attached hereto as **Exhibit A** (the “OCP Statement”), of fees paid to certain professionals utilized in the ordinary course of business (each, an “OCP”). The OCP Statement provides: (a) the name of each OCP; (b) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by the applicable OCP during the fee period starting February 1, 2025 and ending April 30, 2025; and (c) a brief description of the type of services rendered by each OCP.

PLEASE TAKE FURTHER NOTICE that the OCP Order requires the Debtors to file and serve OCP Statements within 30 days after the last day of each three-month period, setting forth: (a) the name of each OCP, (b) the aggregate amounts paid per month as compensation for services rendered and reimbursement of expenses incurred by each OCP during the statement period; and (c) a brief description of the type of services rendered by each OCP.

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to amend or supplement the OCP Statement from time to time, as may be necessary.

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the OCP Order.

Dated: May 30, 2025
Wilmington, Delaware

/s/ Allison S. Mielke

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*Co-Counsel to the Debtors
and Debtors in Possession*

EXHIBIT A**Second Quarterly Statement of Compensation of
Ordinary Course Professionals¹**

Ordinary Course Professional²	Aggregate Amount Paid	Description of Services Provided
Ballard Spahr LLP	\$344.00	Legal Services: Litigation Counsel
Carle Mackie Powers & Ross, LLP	\$279.00	Legal Services: Employment Matters in California
Clarus Partners Advisors LLC	\$140,822.22	Tax Compliance Services
ClearBridge Compensation Group, LLC	\$131,425.00	Executive Compensation Services
Cole Schotz P.C.	\$80,443.42	Legal Services: Real Estate and Corporate
DLA Piper LLP (US)	\$5,313.96	Legal Services: Franchise Matters
Dunn & Allsman, LLC	\$10,246.24	Legal Services: Franchise Matters
Gordon Brothers Asset Advisors, LLC	\$113,983.19	Valuation Services
Gordon Rees Scully Mansukhani, LLP	\$467.50	Legal Services: Franchise Matters
Honigman LLP	\$7,822.50	Legal Services: Advertising Matters and Litigation Arising in Illinois

¹ Pursuant to the OCP Order, the OCP Cap is \$50,000 per month per professional based on a 3-month rolling average.

² The Debtors inadvertently made certain payments to Ballard Spahr and DLA Piper LLP (US) before filing such Professionals' Declarations. The Debtors filed an OCP Declaration for DLA Piper LLP on May 27, 2025 [Docket No. 1566]. The Debtors are continuing to work with Ballard Spahr to file their Declaration as soon as possible.

Hunton Andrews Kurth LLP	\$96,287.60	Legal Services: Intellectual Property (Trademark Monitoring Services)
Jackson Lewis P.C.	\$5,542.00	Legal Services: Employment Matters
Littler Mendelson P.C.	\$16,843.50	Legal Services: Employment Matters
Reed Smith LLP	\$77,156.74	Legal Services: Data Privacy and Website Accessibility
Smalling and Buym, PA (D/B/A/ Capital City Law)	\$4,000.00	Legal Services: Corporate Counsel
Stout Risius Ross, LLC	\$8,400.00	Asset Analysis Services
Troutman Pepper Hamilton Sanders LLP	\$3,340.80	Legal Services: General Corporate and Governance Matters